



USAID
FROM THE AMERICAN PEOPLE

WEST AFRICA
**TRADE &
INVESTMENT
HUB**

WEST AFRICA TRADE AND INVESTMENT HUB

COMMERCIAL RELATIONSHIPS BETWEEN AGRO-INDUSTRIES AND CEREAL WHOLESALE IN WEST AFRICA

Contract No.: AID-624-C-13-00002-00



Recommended Citation: Trade Hub and African Partners Network "Establishment of Commercial Relationships between Agro-industries and Cereal Wholesalers in West Africa" Prepared for the Trade and Investment Hub by Kokou Zotoglo, Trade Hub Staple Crops Specialist, Bethesda, MD, March 2017.

Submitted to: Cory O'Hara, COR of USAID WA Trade and Investment Hub
(+233)-540-122-667
No. 24 Fourth Circular Rd, Cantonments
Accra, Ghana



Abt Associates Inc. 1 4550 Montgomery Avenue 1 Suite 800 North 1
Bethesda, Maryland 20814 1 T. 301.347.5000 1 F. 301.913.9061 1
www.abtassociates.com

WEST AFRICA TRADE AND INVESTMENT HUB

COMMERCIAL RELATIONSHIPS BETWEEN AGRO-INDUSTRIES AND CEREALS WHOLESALERS IN WEST AFRICA

Contract No.: AID-624-C-13-00002-00

The authors' views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development (USAID) or the United States Government.

CONTENTS

1. Executive Summary	iii
2. Introduction	iv
2.1 Background	iv
2.2 Rationale and organization	iv
3. Key Elements by Country	5
3.1 Côte d'Ivoire	5
3.1.1 Companies Visited	5
3.1.2 Analysis of the Results from Côte d'Ivoire	5
3.2 Senegal	10
3.2.1 Companies Visited	10
3.2.2 Analysis of the Results from Senegal	10
3.3 Mali	13
3.3.1 Companies Visited	13
3.3.2 Analysis of the Results from Mali	13
3.4 Benin	15
3.4.1 Companies Visited	15
3.4.2 Analysis of the Results from Benin	15
4. Regional Analysis	18
4.1 In Cote d'Ivoire and Benin, Buying Locally	18
4.2 in Senegal and Mali, Problems Buying Locally	18
4.3 Cereal Purchase Mechanisms in the Region	18
5. Recommendations	21
5.1 Regional Forum of Cereal Manufacturers	21
5.2 Training of Educators for the Control and Management of Aflatoxins in Benin	21
5.3 Open House Day at the DOMAK Group	21
5.4 Aflatoxin Detection Kits	21
Annex A: Terms of Reference of the Assignment	22
Annex B: List of People We Met	24
Annex C: Interview Guide	27

ACRONYMS

ACMA	<i>Approche communale pour le Marché Agricole</i>
ACTE	<i>Africa Competitiveness and Trade Expansion</i>
AMASSA	<i>Association Malienne pour la Sécurité et la Souveraineté Alimentaires</i>
ASPRODEB	<i>Association Sénégalaise pour la Promotion du Développement par la Base</i>
BCI	<i>Bénin Céréales Industrie</i>
BRAMALI	<i>Brasserie du Mali</i>
BRVM	<i>Bourse Régionale des Valeurs Mobilières</i>
CFAO	<i>Compagnie Française de l'Afrique occidentale</i>
CIC	<i>Comité Interprofessionnel des Céréales</i>
CREMPF	<i>Conseil Régional de l'Épargne Publique et des Marchés Financiers</i>
DOMAK	<i>Domaine d'Abadjin-Kouté</i>
FACI	<i>Fabrication d'Aliments Composés Ivoiriens</i>
FtF	<i>Feed the Future</i>
FUPRO	<i>Fédération des Unions des Producteurs du Bénin</i>
GIE	<i>Groupement d'Intérêt Economique</i>
OP	<i>Organisation des Producteurs</i>
PEA	<i>Pôles d'Entreprises Agricoles</i>
PKL	<i>Protein Kissée-La Côte d'Ivoire</i>
SME	<i>Small and Medium Enterprises</i>
SMI	<i>Small and Medium Industries</i>
TPF	<i>Technical and Financial Partners</i>
NMA	<i>Nouvelle Minoterie Africaine</i>
RETPA-CI	<i>Réseau des Transformatrices des Produits Agricoles de Côte d'Ivoire</i>
ROAC	<i>Réseau Ouest Africain des Céréaliers</i>
SOBEBRA	<i>Société Béninoise de Brasseries</i>
SOBOA	<i>Société des Brasseries de l'Ouest Africain</i>
SOCIA-Benin	<i>Société des Industries Agricoles du Bénin</i>
SOLIBRA	<i>Société de Limonaderies et Brasseries d'Afrique</i>
Trade Hub	<i>Trade and Investment Hub</i>
UCODAL	<i>Unité de Transformation et de Conditionnement des Denrées Alimentaires</i>
UPA	<i>Union des Producteurs Agricoles</i>
UCTC	<i>Union des Coopératives de Transformation des Céréales</i>
WAGN	<i>West Africa Grains Network</i>
WAEMU	<i>West African Economic and Monetary Union</i>

I. EXECUTIVE SUMMARY

This survey of agro-industrial companies and cereals wholesalers in four West African countries presents a wide variety of existing capacities, examines commercial relationships, and identifies activities to address common problems and expand buying and selling opportunities throughout the region.

Since 2014, the Trade Hub has implemented a strategy to formalize and expand West Africa's cereals sector, a major driver of food security and economic stability throughout the region. Its activities within the cereals sector have included B2B meetings and exchanges, trainings in use of contracts, partnerships with regional NGOs and associations (particularly the West Africa Grains Network, or WAGN), and facilitation of financing for new infrastructure and working capital. The Trade Hub has aimed its outreach and activities at multiple players within the cereals value chain, including farmer associations, traders, and small and medium processors—but often not the region's larger agro-industrial companies.

To remedy this—particularly in light of these companies' local market and sourcing potential—the Trade Hub traveled in October and November 2016 to four countries: Cote d'Ivoire, Senegal, Mali and Benin. We interviewed officials at more than 20 large processors (mainly breweries and makers of animal and human products), wholesaler suppliers, smaller yet promising companies, and other miscellaneous cereals stakeholders, such as donor projects and individual merchants. Findings uncovered sourcing patterns, identified common obstacles, and pointed to recommendations for future collaborative activities that would fill sourcing gaps and alleviate challenges, particularly aflatoxin contamination of raw grains. Our discussions during this study already led to a new sourcing relationship between two large cereals processors in Cote d'Ivoire, as well as joint plans with partners for pilot aflatoxin training-of-trainers to be duplicated through cascade trainings in Benin—as a model for the region.

2. INTRODUCTION

2.1 BACKGROUND

The Trade and Investment Hub project (Trade Hub) helps to: i) Improve the capacities of farmers and businesses in West Africa for targeted regional and global value chains, ii) Improve the business environment by addressing the transportation constraints and trade barriers that impede the efficiency of the corridors and borders in the region.

The Trade Hub operates through regional associations in the private sector and regional governmental entities to channel partner efforts to overcome critical constraints impeding trade competitiveness, take advantage of trade expansion opportunities, prove the production potential of West Africa to investors, and assist in expanding investments in the region.

Expected results include: i) regional trade of the main agricultural products, a key indicator of the Feed the Future (FtF) initiative, ii) global exports of value-added products, a target indicator of the Africa Competitiveness and Trade Expansion (ACTE) initiative, whose ultimate goal is to increase Africa's share of worldwide trade.

In regional trade throughout West Africa, the project has made significant progress in cereal value chains through the organization of major events such as best practices training in contractual agreements and the *bourses céréalières régionales* (regional cereal exchanges). Establishing trade relationships and formalizing markets are at the core of the Trade Hub's strategy for the cereal sector.

2.2 RATIONALE AND ORGANIZATION

Within cereals processors, Trade Hub has focused on small and medium enterprises (SMEs) and small and medium industries (SMIs), mostly leaving out larger industrial processors. Yet this category uses large quantities of cereals and would clearly boost West Africa's cereal sector if it sourced grains from the regional market.

With this in mind, the Trade Hub launched this study on the establishment of business relationships with leading cereal processors. The overall goal¹ is to identify and prioritize growth opportunities of the cereal trade in the targeted countries, per the 2017 work plan. The Trade Hub visited² and interviewed agro-industrial processors in Benin, Côte d'Ivoire, Mali, and Senegal. Following data collection in each country, we analyzed the data to write this report which is made up of four sections: introduction, key elements by country, regional analysis, and recommendations.

¹ Please find the ToR for the study in Annex A.

² See the list of people met in Annex B.

3. KEY ELEMENTS BY COUNTRY

3.1 CÔTE D'IVOIRE

3.1.1 COMPANIES VISITED

In Côte d'Ivoire, Mr. Daouda Diomande, agricultural value chains manager in the Abidjan Trade Hub office, assisted the cereal value chains specialist, Mr. Kokou Zotoglo, with field data collection. The mission met with the following leading companies:

- Breweries: BRASSIVOIRE, *Société de Limonaderies et Brasseries d'Afrique* (SOLIBRA), and *Les Brasseries Ivoiriennes*
- Grain storage companies: The *Domaine d'Abadjin-Kouté* Group (DOMAK Group)
- Human food manufacturing companies: Protein Kissée-La Côte d'Ivoire (PKL) - flour, semolina, enriched flour
- Animal feed manufacturing companies: IVOGRAIN, poultry feed, day-old-chicks, and poultry meat; *Fabrication d'Aliments Composés Ivoiriens* (FACI), livestock and poultry feed, day-old-chicks, poultry meat; FOANI Services in Agnibilékrou, poultry feed, day-old-chicks, eggs for consumption and hatching,
- Small and medium enterprises (SMEs): *Précuits GLP*, cereal processing unit for human consumption; *RAMA Céréales*, cereal processing company for human consumption.

3.1.2 ANALYSIS OF THE RESULTS FROM CÔTE D'IVOIRE

Breweries

Les Brasseries Ivoiriennes

Less than two years after arriving on the beer market in Côte d'Ivoire, *Les Brasseries ivoiriennes* (LBI) were recently purchased by the BGI Group, also known as the Castel Group. Founded by the Eurofind Group, LBI came to break the monopoly of the *Société de limonaderies et brasseries d'Afrique* (SOLIBRA), owned by the Castel Group, in beer production in Côte d'Ivoire. They found some success: the entry-level product, "Number One," had reached 28% of market share, and overall, LBI had even reached about 10% of the beer market. The Castel Group announced in 2016 its purchase of additional bottling capacity. LBI does not purchase grits from the national market but receives them from the Castel Group, which purchases grains from the international market and transforms them into grits for its member breweries.

Brassivoire

This joint venture was created in September 2015; it is 51% owned by Heineken and 49% by *la Compagnie française de l'Afrique occidentale* (CFAO). Its new modern brewery has a capacity of 1.6 million hectoliters per year to brew, among others, Heineken® beer, Ivoire beer for the national market and

Despérados beer for export. Brassivoire is also exploring developing a local supply project for the agricultural raw materials needed for beer production. The goals of this project would be to improve yields as well as skills and living standards of local farmers. With its ambitious goal of sourcing up to 60% of its local agricultural raw materials from Africa by 2020, Heineken could become a continental partner in Africa's economic growth. Brassivoire is targeting local rice production, so the Trade Hub could consider fostering a formal relationship between this brewery and rice value chain participants in Côte d'Ivoire.

Société de Limonaderies et Brasseries d'Afrique (SOLIBRA)

Created in January 1960 after beginning as a small family-owned company in 1955 that developed quickly. The French Group BGI (*Brasseries et Glacières Internationales*) purchased the majority of the SOLIBRA company's stocks and became the main shareholder. SOLIBRA products are: water (AWA, Cristaline), sodas (Coca-Cola, Fanta, Sprite, Schweppes, Youki, and Orangina), energy drinks (XXL), beer (Bock, Flag, Castel, Beaufort, Tuborg, and Guinness). SOLIBRA sources a major part of its grits from the PKL company and the DOMAK Group. See a picture of the factory below.



The DOMAK Group- Grain storage

Domaine d'Abadjin-Kouté (DOMAK) is a leading company in cereal storage in Côte d'Ivoire and in the sub-region. The company has two rice husking and polishing units with a capacity of 140 tons/day. In 1999, it opened a corn mill with a grinding capacity of 100 tons/day to make value-added products:

- Grits or semolina to be used by brewers
- Flour to be incorporated at a rate of 5 to 10% in wheat flour of bread-making quality, used to make cookies, pasta and other products common in African cooking as main dishes or high-calorie porridges
- Byproducts, made of bran with high germ concentration, that have a higher caloric content (3,750 calories/kg) than kernel corn (2,900- 3,000 calories/kg). They are used for poultry and large livestock feed,

The DOMAK Group assists producers with the choice of seed and farming methods (land management with laser leveling, water management, rotating with soybeans, peanuts, etc).

The company owns a grain cleaning system that handles removal of stones dust and impurities, as well as a modern electric dryer which dries 40 tons/hour of grains to the desired humidity level. After cleaning and drying, the grain is stored in stainless steel silos with a capacity of 20,000 tons (and possible three rotations per year for a total annual capacity of 60,000 tons). The company is anticipating increasing its basic storage capacity to 30,000 tons in 2017.

The products of the DOMAK Group are:

- *Paddy rice*: i) Husking and polishing (to obtain white rice), ii) Distribution through specialized wholesalers (traditional white rice importers), iii) Byproducts for livestock feed, iv) Rice husk pellets that can replace firewood.
- *Maize*: i) Sale of kernel corn, ii) Processing for semolina, flour and byproducts for livestock feed.

The three flagship activities of the DOMAK Group are: i) purchase and storage of grains³, ii) milling of flour and semolina, iii) production of livestock feed. The company supplies SOLIBRA with grits and sells other products in Côte d'Ivoire and in some other countries of the sub-region. The Group purchases its cereals from the national market. Its products are marketed in Côte d'Ivoire, to institutional buyers (World Food Programme, government, etc.), and to some countries in the sub-region. Following an August 2016 feasibility study on an agricultural commodity exchange in Côte d'Ivoire, the company is considering increasing its capacity to 300,000 tons per year. See box.

Keys to an Ivoirian Agricultural Exchange

Launching an agricultural exchange first requires the establishment of an institutional framework, followed by the launch of agricultural products likely to be listed on a stock exchange. A mature agricultural exchange usually includes four key functions: sales, operations (negotiation/compensation/delivery/storage), finance and administration, and regulation.

The sales function includes three areas of expertise: i) Product development, focused on all value chain activities for a specific product, ii) Business development activities to secure participation of brokers, banks, and investor and producer communities, iii) Research focused on economic studies, and technical and financial analysis.

The operational function includes four areas of expertise: i) Market operations providing control and monitoring of trade activities, ii) Compensation and rules ensuring payment against receipt of agricultural products, iii) Delivery of products and storage receipt system to certify and supervise the storage infrastructure network, and settle delivery conflicts, iv) Information technology and networks.

The finance & administration function includes three areas of expertise: Finance and accounting, administration, and general matters.

The key to stable stock exchange institutions is the regulatory framework. The existing framework within

³ The purchase mechanism is detailed in Chapter 3.3

the *Conseil Régional de l'Épargne Publique et des Marchés Financiers* (CREPMF) that regulates the *Bourse Régionale des Valeurs Mobilières* (BRVM) offers a ready-to-go tool for an Ivorian Agricultural Exchange, first at the national level and then at the regional one.

A typical governing structure for an agricultural exchange must combine best practices in corporate governance with the specific governance needs for each area of expertise within a commodity exchange.

In November 2016, the company filed a working capital loan request with a bank and was waiting for it to start the cereal purchasing campaign.

Trade Hub identified two areas of assistance for the human food manufacturing companies. Like PKL, the cereal processing units in Abidjan could be supplied by a good quality cereal group if they sell at competitive prices. With this in mind, the DOMAK Group should open itself up to local buyers and thus contribute to agribusiness development in the capital, Abidjan. The Trade Hub therefore recommends that agribusiness SME/SML approach the DOMAK company to establish business partnerships. Besides buying and selling, the DOMAK company can also provide services, such as cleaning and drying grains for other cereal operators. The Trade Hub cereal value chain specialist introduced a potential partner, PKL, to DOMAK (*see below*) and will inform other agribusinesses involved in cereal processing in Côte d'Ivoire of the cleaning, drying, and storage services offered by this well-equipped operator.

The PKL Company

PKL is part of the food processing industry, specialized in the processing of locally sourced cereals for the manufacturing of baby food. They mostly buy from the national market. Occasionally, they purchase the maize from the sub-regional market (Burkina Faso, Ghana, and Benin for soybeans). They nurture the loyalty of their suppliers and purchase based on sales and orders. The company has a list of dedicated suppliers who deliver clean grains based on the company's demand and provide detailed specifications of products to be purchased. Shipments are occasionally turned down when quality standards are not met. The company is willing to purchase in the region, if grains are of good quality.

The company has invested a lot in product quality, following the HACCP approach (Hazard Analysis Critical Control Points), and through its connection with World Trade Organization. They participate in major international agro-fairs and agro-salons and supply supermarkets such as Prosuma and Carrefour. They sell grits to SOLIBRA based on purchase orders.

After receiving Trade Hub information about the DOMAK Group, the PKL company expressed interest in meeting and sent representatives to DOMAK to begin talks. At the meeting, DOMAK offered the company's facilities to PKL to clean, dry, and store their grains, and PKL agreed to source directly, at market prices, from Group DOMAK. Both companies sell their processed grain in Côte d'Ivoire and other West African countries.

The SIPRA/IVOGRAIN Company⁴

⁴ SIPRA deals in animal production (*Ivoire poussins* and *Coqivoire*) whereas IVOGRAIN is involved in animal feed.

This livestock feed manufacturer quickly became market leaders through their know-how and high-tech equipment: They have the only ISO9001/2008-certified factories in West Africa. The IVOGRAIN factories offer a complete range of feed for poultry, pigs, rabbits, fish, cows and other cattle, but they also provide professional livestock equipment and veterinary products. The unit includes: i) a manufacturing plant, ii) two corn processing and storage silos, iii) an analysis and quality control laboratory. With its corn silos in Yamoussoukro, the unit processes on a yearly basis several thousand tons of corn purchased from Ivorian farmers, thereby providing revenues in rural areas. To ensure they have enough corn, SIPRA has started an intensive production program on 5,000 ha in Dikodougou, in northern Cote d'Ivoire.

IVOGRAIN is also a significant outlet for Ivorian agribusiness through its use of agribusiness byproducts such as cottonseed cake, cocoa husks, fish meal, and mixes of locally produced wheat and rice.

The FACI Company

This company manufactures livestock feed (for chickens, cows, horses, pigs, etc.) and produces poultry, namely day-old-chicks in significant volumes. Products are sold in Côte d'Ivoire and the sub-region.

FACI purchases maize from the national market and has a maize purchasing network of more than 150 authorized suppliers throughout the country. The company sometimes purchases maize from other West African countries when prices are similar to those on the national market. Their raw materials are maize, white soybeans, and cottonseed meal (bought in Burkina Faso). They set the purchase price according to the international market trends. At the beginning of a purchasing campaign, they post a notice informing suppliers that the purchasing campaign has started and later, describe the purchasing mechanism.

The FOANI SERVICES Company

From origins as a small family-run farm, this company grew quickly to play a major role in West Africa's poultry farming and livestock feed production industries. The founder, Mr. Ouattara Ali, started his first farm in 1975 with 75 laying chicks. Today, there are about 10 farms with 500,000 chickens. The company is equipped with the latest innovations in the poultry industry.

FOANI SERVICES is based in Agnibilekrou, a town 265 km northeast of Abidjan. They produce day-old chicks, chickens, eggs for consumption, and livestock feed. They supply small farmers in their area with day-old-chicks, feed, and trays. They supply the Ivorian and Ghanaian markets.

They purchase their raw materials locally but they also have 400 ha of lands to grow corn. They consume 12,000 tons of corn per year. They can slaughter 20,000 chickens per day. We detail their purchasing mechanism in Chapter 3.3

SME/SMI

The two cereals processors purchase cereals from the national market. During Trade Hub-organized cereal exchanges, both companies have negotiated purchase contracts of corn and millet. During B2B meetings, they talk, negotiate and sign intent agreements in most cases. SME cereals processors also attend the national *Réseau des Transformatrices des Produits Agricoles de Côte d'Ivoire* (RETPA-CI).

RAMA Céréales: 80% of their products are sold to supermarkets in Côte d'Ivoire; they also sell in Burkina Faso, Mali, and Ghana. They have 30 permanent employees. They can handle 400 kg of raw

materials per day, purchased from the national market. They have suppliers in Abidjan who sometimes purchase their products in Burkina Faso and Mali. They are planning construction on a new unit on a 1,000-m² site already purchased in the suburbs of Abidjan. Root Capital helped them develop a business plan for this new investment, and London-based Prepaid Financial Services (PFS) will provide working capital.

Tout Précuit GLP: They process corn, millet, fonio, and soybeans, which they purchase from the national market, specifically from corn cooperatives at the Adjamé market and at the Bouaké soybeans wholesale market. Processed products are corn and millet flour, semolina, pre-cooked fonio, enriched flour, and dried attiéke, which are sold on the national market.

3.2 SENEGAL

3.2.1 COMPANIES VISITED

- **Leading companies:** FKS, *Nouvelle Minoterie Africaine* (NMA Sanders), *Société des Brasseries de l'Ouest Africain* (SOBOA), and SEDIMA Group
- **SME/SMI:** Free Work Services, *Coopérative PANALE*, *Groupement d'Intérêt Economique Tall* (GIE Tall), Fouty Services
- **Wholesalers:** Mr. Talla Gueye, Mr. Tamsir Niane
- **Others:** Comité Interprofessionnel des Céréales du Sénégal (CIC-Senegal), Association Sénégalaise pour la Promotion du Développement par la Base (ASPRODEB)

3.2.2 ANALYSIS OF THE RESULTS FROM SENEGAL

In Senegal, the four leading companies source their corn abroad, mostly from Brazil, Argentina, and Europe. They listed three main reasons for buying abroad: cereal quality, price, and reliability of delivery. All companies stated that the cereals produced in the country did not meet the quality standards, which forced them to turn to the outside.

The issue of cereal quality in West Africa is worrisome. Local cereals are not competitive relative to products coming from outside the region. One company representative stated, “We purchased second-grade cereals from Argentina for the production of livestock feed, but this corn is so clean that we can sell some of it for human consumption. Whereas we sell this corn (second-grade but of better quality than the corn produced locally) at 140 F/Kg, profit margin included, the lesser-quality local corn is being sold at 175 F/Kg. The challenge is therefore real, and the issues to attain a true level of competitiveness are significant.”

The FKS Company

This plant produces wheat flour, livestock and poultry feed, and peanut oil. The company comes from a long Turkish heritage and FKS, the most recent plant of the group, has benefited, known as a quality brand that guarantees healthy and complete nutrition for poultry. The company purchases corn from Argentina and soybeans from Ghana, Benin, Togo, and Nigeria. Current production capacity is 700-3,400 tons of flour per day, 600-12,000 tons of livestock feed per day, and 300-15,100 tons of poultry feed per day. Below is a partial picture of the factory.



Products are mostly sold on the national market. However, they export a significant portion to Mali, Gambia, Guinea-Bissau, and Guinea-Conakry. As part of its sales strategy, their goal is to extend their market to Benin, Burkina Faso, Niger, and Côte d'Ivoire. They fill market gaps within West Africa: Benin no longer has large mills and imports its wheat flour from France and China. Guinea-Bissau has no mills either and imports its flour from Holland and Indonesia.

The NMA Sanders Company

The Nouvelle Minoterie Africaine (NMA Sanders) buys and sells corn and produces soft wheat flour, livestock feed (12-15% corn), poultry feed (50% corn), fish food, and pasta—mostly for export. They import processed raw material from Argentina and 10% from France. According to the Deputy General Manager, local cereals (corn and sorghum) are of poor quality and their prices are not competitive. For example, “grade 2” corn imported from Argentina is so clean that they sell it for human consumption at unbeatable prices relative to local corn in spite of the sizable profit⁵ margin of the company. NMA Sanders has developed an agribusiness project, “Bio Soye,” to produce soybeans and corn on 2,000 ha. Plant capacity is 5,000-6,000 tons/month at the visited site, and 30,000-40,000 tons/day on another site.

Société des Brasseries de l'Ouest Africain (SOBOA)

SOBOA buys corn grits abroad. They belong to the Castel Group, which operates in Benin, Burkina Faso, Côte d'Ivoire, and Togo. The Castel Group buys grits on the international market and distributes them to member breweries. However, SOBOA does not dismiss the possibility of buying in Senegal if they find a reliable supplier who can produce quality grits at a price similar to the market one.

A mill in Burkina Faso⁶ contacted SOBOA to supply them with grits, but they were not competitive and their ability to deliver regularly was not guaranteed.

SEDIMA Group

⁵ The corn from Senegal is being sold at 175 F/Kg, but the company resells its corn from Argentina at 140 F/Kg, profit margin included.

⁶ *Société Industrielle et Meunière de l'Afrique de l'Ouest (SIMAO)*

This company strives to make chickens and eggs available through a marketing strategy of good quality poultry farming inputs (chicks, feed, poultry farming equipment and supplies) at the best prices. They have substantial investment, 140 years of experience, demonstrated innovation, and a large market presence in Senegal and throughout West Africa.

The Group is expanding into poultry, agribusiness, milling and the financial sector, though poultry farming remains a core activity. The company specializes in the production and selling of day-old chicks, poultry and livestock feed, distribution of poultry farming equipment, and the implementation of turnkey poultry farming projects. In 2014, the SEDIMA Group embarked on soft wheat flour production, as well as bakery and pastry flour production. It purchases corn outside the region, especially from Argentina and Brazil, and imports wheat from Ukraine, Russia, and France.

SEDIMA has the largest hatchery in the region: 14 million day-old chicks per year, soon to increase to 45 million chicks. Their feed mill has a capacity of 300 tons/day. A new unit is under construction that will increase capacity to 1,000 tons/day. Their slaughterhouse can handle 4,000 chickens per hour, i.e. 20,000 chickens per day. The company sells in Mali, Congo, and Equatorial Guinea.

The company currently faces three major problems:

- Transportation: High costs, irregular flights, and planes not designed for the efficient transportation of chicks and eggs
- Taxation: Eggs for hatching are taxed at 26.8%, and day-old chicks at 4-5% of their cost
- Inputs: Locally purchased corn is of inconsistent quality, limited availability, and priced too high.

SME/SMI

The SMEs we met with buy cereals from the local markets. They have their own suppliers who sell the requested quantities to them. They mostly purchase during the harvest period. They also complain about the quality of the cereals, but they often have no alternatives. Some processing units sign contracts with traders or producers organizations, whom they ask to carefully monitor the quality of the grains.

PANALE

This national cooperative includes all cereal processing units owned by women in the country. The cooperative has 107,000 members and three retail stores. The cooperative offers a range of products, including: millet + corn semolina, corn semolina, rice semolina, ground millet + rice, broken millet, corn flour, rice flour, and cowpea flour.

Oumou Mountag Tall GIE

This organization exports a large part of its products to France, Canada, the USA, and some countries in West Africa. Since the sales are export-oriented, the GIE has made ongoing efforts to increase the quality of its products. They have a production capacity of 200-500 kg/day, and production varies according to order levels.

Wholesalers

The wholesalers in the Tilen and N'galo markets own their own storage units, at the market and elsewhere, and they sell several products, including corn, sorghum, peanut beans, and livestock feed. They sell cereals nationally but also source from Senegal and Mali⁷. Others sell exclusively nationally, but also purchase in Sénégal (Kaolak), Mali, and Burkina Faso. They purchase livestock feed from large agricultural product companies, such as NMA Sanders.

3.3 MALI

3.3.1 COMPANIES VISITED

- **Large companies:** *Brasseries du Mali* (BRAMALI), *Ami Group*, *Moulins du Sahel*,
- **SME/SMI:** *SIYUMA*, *DAYANA Céréales*, *Unité de Transformation et de Conditionnement des Denrées Alimentaires* (UCODAL), *DANYA Céréales*, *Union des Coopératives de Transformation des Céréales* (UCTC),
- **Wholesalers:** Mr. Mama Kone, Mr. Ishiaka Keita, Mr. Sidiki Badin Dumbia, Mr. Kalilou Diallo
- **Other visited institutions:** *Association Malienne pour la Sécurité et la Souveraineté Alimentaires* (AMASSA), *CIC- Mali*.

3.3.2 ANALYSIS OF THE RESULTS FROM MALI

Bramali

Brasseries du Mali, the national brewery, previously bought corn grits from Moulins du Sahel of Mali (see below) and Burkina Faso. Then Bramali discovered the grits contained an excessive amount of aflatoxin and did not follow the set grain size. Bramali requested the two suppliers respect the standards, but they were unable to meet their client's requirements. Bramali asked Moulins du Sahel to try to improve the quality of their grits, giving specifications on texture and aflatoxin level. Moulins du Sahel, after evaluating the cost of the investment needed to meet these requirements, had to give up supplying grits to the brewery. Today, the Castel Group (to which Bramali belongs) buys wholesale grits on the international market and distributes it to its members.

Moulins du Sahel

Subsidiary of the Houd Investissement Sa Group, this company is a cereals (wheat, corn, millet, sorghum) and livestock/poultry feed processing unit. It has a wheat mill with a capacity of 140 tons per day and a corn mill with a capacity of 120 tons per day. The industrial unit is the only one in the eight-country West African Economic and Monetary Union (UEMOA) with an

Aflatoxin contamination hurts local markets

Aflatoxins are toxic and cancerous chemical substances produced by certain fungi growing in the ground, contaminating crops, hay, and grains. Many cereal buyers in West Africa, especially breweries, prefer to source grains from the international market because of the health risks presented by aflatoxins in locally grown cereals.

⁷ The purchase mechanism is detailed in Chapter 3.3

integrated system of flour enrichment obtained from local cereals. The company represents a real market for local cereals producers.

Moulins du Sahel previously purchased local cereals and processed grits for Bramali, as described above, but currently focuses on manufacturing wheat flour. They have subsidiaries in Benin, Burkina Faso, Niger, and very soon in Côte d'Ivoire.

Ami Group

This company made up of the Ami GIE and the ACHCAR Industries with production niches in:

- *Grands Moulins du Mali* for production of wheat flour, livestock feed, and a rice mill
- *Grand Office du Mal*,
- Factory manufacturing candies and chewing-gum
- Oil mill (cotton, peanut)
- Production unit of baby cereals
- Baker's yeast unit
- Bakery and pastry shop
- Farm (2,000 ha in Diré for wheat crop)
- Mineral water production (Diageo brand)

Ami Group is one of the largest companies manufacturing livestock feed in Mali. They source cereals (corn, millet, sorghum) from the national market with about 50 merchants as suppliers, most of whom the Trade Hub knows. They produce livestock and poultry feed with 15,000-17,000 tons of corn purchased per year and 15,000 tons/year of paddy rice from the Koulikoro region. The Ami Group sells livestock and poultry feed in Mali, Senegal, Mauritania, and Burkina Faso.

According to Mr. Nafo Samake, project coordinator: "The objective of the Ami Group is to promote the production of cereals in the country. By doing so, we will contribute to food security in the country."

SME/SMI

Cereal processing SMEs/SMIs are numerous. They all source on the local market from designated sellers. Some have regular suppliers, while others buy based on need at the weekly markets. Grain quality is not a significant worry as has been the case in Senegal.

Among the small cereal processing units, some have distinguished themselves with their dynamism and commitment to success. A standout is **SIYUMA**, which manufactures corn and millet flour, and pre-cooked fonio, which it sells in Mali, Senegal, Côte d'Ivoire, Guinea, and the US. The unit has a processed products capacity of 200 kg/day.

The *Unité de Transformation et de Conditionnement des Denrées Alimentaires (UCODAL)* makes pre-cooked fonio, enriched flour, millet flour, and semolina. It specializes in processing, packaging, and selling local cereals and spices, with fonio a leading product. UDOCAL purchases the raw materials from the national market and sells in Mali, Senegal, Côte d'Ivoire, Gambia, Gabon, France, Spain and the US. Production capacity is 500 kg/day for ground products, 800 kg/day for fonio, and 500 kg/day for flour.

Merchants

They are distributed across the southern cities of the country such as: Ségou, Koutiala, Sikasso, Kayes, Koulikoro, Mopti, and Bamako. In general, the same merchant sells corn, millet, and sorghum, though some specialize in the sale of rice. Through training sessions on best practices for contract agreements and cereal exchange, some managers of cereal processing units have started to sign contracts, particularly in corn and rice purchasing .

3.4 BENIN

3.4.1 COMPANIES VISITED

- The *Approche Communale pour la Marché Agricole* (ACMA) and the 2SCALE projects
- *Société Béninoise de Brasserie* (SOBEBRA), *Société des Industries Agricoles du Bénin* (SOCIA-Benin), the *Bénin Céréales Industrie* company (BCI), *Groupe Veto Services*
- The umbrella organization of the *Producteurs Agricoles du Bénin*
- SMEs/SMLs specializing in cereal processing in Benin: *Délices Familia*

3.4.2 ANALYSIS OF THE RESULTS FROM BENIN

Approche communale pour le marché agricole (ACMA)

The ACMA program has been funded by the Netherlands Embassy since 2013. It was set up by a consortium directed by the International Fertilizer Development Center (IFDC). The target areas cover three departments—Ouémé, Plateau and Zou—totaling 22 boroughs. The value chains addressed are corn, palm oil, gari, fish, hot pepper, and peanuts.

The overall goal of the ACMA program is to “improve food security and increase the farming revenues of the direct participants.” The expected results are: i) Strengthening the trading power of local economic stakeholders; ii) Increased trading on local markets and with Nigeria; iii) More and higher-quality local supply and selling of targeted products. To reach these goals, the strategy works on two levels of interaction with multiple stakeholders at the *Pôles d’Entreprises Agricoles* (PEA) and within and among municipalities.

Focused on product marketing, ACMA is facing the major issue of aflatoxin contamination. The program, having heard of the Trade Hub’s efforts to develop cereal value chains and agricultural product markets, asked for support regarding the control and management of aflatoxins. ACMA will mobilize the stakeholders and will provide financial support for these training sessions in 2017, while the Trade Hub will provide the expertise to lead the training sessions. This training will pilot a process that could be replicated in other countries of the sub-region and will provide an opportunity to collaborate with the *Fédération des Unions des Producteurs Agricoles* (FUPRO) from Benin, WAGN and other technical and financial partners.

The 2SCALE Project

Funded by the Netherlands, 2SCALE is one of the largest incubators of agribusinesses in Africa, not to mention Benin. The project generates synergies between small producers and agricultural entrepreneurs, traders and intermediaries in eight countries of West Africa, allowing them to create and develop new companies. In Benin, the project reinforces the capacities of local stakeholders by providing them with technical support and negotiating partnerships with financial institutions and business support services. It also collaborates with private companies by helping them find supply opportunities through selling agricultural inputs to small farmers in Africa.

The quality of the products to be marketed is also a challenge for 2SCALE, which will join forces with ACMA to support training in the control and management of aflatoxins in Benin. The Trade Hub will work with USAID/Benin for their contribution to this aflatoxin training and will take a leading role in organizing this pilot training in Benin.

SOBEBRA

The largest brewery in Benin manufactures the brand of beer “*la Béninoise*.” SOBEBRA also owns two licenses (Guinness and Eku) for manufacturing these two beers in Benin. Because of the regular quality control carried out by these two companies, SOBEBRA must ensure all its beers are high-quality. To this end, the company has a laboratory for aflatoxins testing and a qualified laboratory staff to regularly perform aflatoxins tests. Company officials said they wish the tests were carried out upstream in the grits production process, on grain samples collected before being processed. The company experienced aflatoxin problems in 5,000 tons of corn supplied by SOCIA (see below). These difficulties have forced SOBEBRA to purchase corn abroad, notably from Hungary and South Africa.

The Trade Hub could invite the company to participate in the training on the control and management of aflatoxins in Benin. This partnership would strengthen confidence in food safety and would be a first step toward engaging large manufacturers in the fight against aflatoxin contamination.

Bénin Céréales Industrie (BCI)

This cereal processing company produces corn flour, corn grits, enriched flour, soybean oil, soybean flour and meal and purchases raw materials (corn and soybeans) in Benin and Burkina Faso. BCI is in partnership with Fludor, a manufacturer of vegetable oil. Its factory capacity is 50-200 tons/day, and general, the company produces based on demand.

BCI products are sold in Benin and Senegal, but the company can supply the entire sub-region. Purchases and sales are made on the basis of contracts, receipts, or delivery notes. In December 2016, the company signed a purchase contract for 5,000 tons of corn with FUPRO-Benin (see below). The company has reiterated its willingness to source locally

FUPRO-Benin

The Fédération des Unions des Producteurs du Bénin (FUPRO-Bénin) was created in 1994 as the umbrella organization of the network of farmers’ organizations in Benin. It groups six departmental unions of producers stemming from 77 sub-district producer unions to which are associated village and women groups. FUPRO-Benin works to defend the rights and duties of farmers’ organizations and to transfer know-how to the agricultural professions. It employs about 200 agricultural engineers.

FUPRO-Benin has benefited from the capacity building offered by the Union des Producteurs Agricoles (UPA) of Quebec to facilitate dialogue between the national government and agricultural business

organizations for the development of policies promoting access to resources by all, financing, technology, and services.

FUPRO-Benin is the main corn supplier to SOCIA-Benin. It has asked for help from Trade Hub to assist in addressing the increasingly worrisome problem of aflatoxin contamination, a request echoed by the ACMA and 2SCALE projects. Coordinated efforts would give tangible results for the control and management of aflatoxins in agricultural products in Benin.

Internally, FUPRO, with support from the ACMA project, will duplicate this training throughout the country with a series of cascade training sessions. The same type of training of educators will be organized during 2017 in the other countries with WAGN collaboration (see *Recommendations*).

Société des Industries Agricoles du Bénin (SOCIA-Benin)

This cereal-processing company mostly manufactures corn grits for SOBEBRA. It has a capacity of 6,000-12,000 tons per year and purchases raw materials from Benin and Togo.

Countering aflatoxin and saving cereals sales in Benin

FUPRO-Benin is the main corn supplier to SOCIA-Benin. Their business relationship was shaken in 2015 due to the high level of aflatoxins in the grits delivered to SOBEBRA, which led the brewery to purchase grits abroad.

After SOBEBRA refused the corn grits, SOCIA-Benin informed FUPRO they would not be able to pay for the delivered supply because of the excessive aflatoxin contamination. FUPRO-Benin had collected the supply from the Organisations des Producteurs (OP) and could not trace the products. The OP were expecting payment, even though the product had been rejected by the buyer. Several rounds of negotiations were needed to reach an unsatisfactory agreement to surrender the supply. At that point, SOBEBRA turned to Hungary and South Africa for its grits.

Nevertheless, FUPRO-Benin did not give up, continuing to negotiate with their clients while ensuring them that from now on aflatoxin levels would improve. To remain a key supplier to SOCIA-Benin, FUPRO also undertook training, promotion and information campaigns with its members and implemented a strategy to ensure good quality of the product and its traceability. Three varieties of corn were selected, and field visits will be done to monitor technical steps. From now on, FUPRO will sell two types of corn: “trace” corn and common corn. The producers now have specifications they must abide by. These efforts have increased the confidence of FUPRO-Benin's clients.

Talks between the three stakeholders resulted in the sale agreement of 10,000 tons of corn, with delivery beginning in January 2017. SOCIA-Benin and FUPRO-Benin drew up a statement of work and established a traceability policy. FUPRO also signed another contract for 5,000 tons of corn with BCI in December 2016, to be delivered in February 2017. The Trade Hub's cereals value chain specialist will follow up on the execution of these two contracts.

4. REGIONAL ANALYSIS

Data collection for this study was conducted in four countries: Benin, Côte d'Ivoire, Mali, and Senegal. We describe main themes below.

4.1 IN CÔTE D'IVOIRE AND BENIN, BUYING LOCALLY

In Côte d'Ivoire, cereals production is significant. Les Brasseries ivoiriennes does not purchase grits from the national market. They belong to the Castel Group, which buys grits on the international market and distributes them to its member breweries. However Brassivoire, the Heineken and Ivoire beers manufacturer, sources paddy rice from the national market and is willing to source larger quantities. As a result, any initiative targeting increased production of paddy rice would be a good sourcing opportunity for Brassivoire. Trade Hub could help develop the paddy rice supply chain and introduce a contract agreement mechanism.

All livestock feed manufacturing companies (Ivograins, FACI, FOANI Services) purchase corn locally. For a year, corn production experienced problems, and one of the companies purchased corn from Argentina. Once the corn arrived, the company performed a germination test: They planted, in the same conditions, 10 corn seeds from Argentina and 10 corn seeds purchased in Côte d'Ivoire. After 10 days, the company noticed none of the grains from Argentina had sprouted whereas all 10 corn seeds purchased locally had. Based on this test, the company doubted the quality of the Argentinean corn and decided to never again purchase it. They concluded if the corn couldn't sprout, it had lost all its potential as a grain.

In Benin, it is also clearly important for agribusinesses to source raw materials locally. Some projects to support cereal producers and the SOBEBRA company are ready to assist the Organisations des Producteurs to improve the quality of the cereal, especially with regard to the control and management of aflatoxins.

4.2 IN SENEGAL AND MALI, PROBLEMS BUYING LOCALLY

In Senegal, the level of corn production is low, and quality is a big challenge that cannot be resolved quickly. Business owners we interviewed said cereal producers in Senegal commonly mix cereals with sand and stones to increase its weight. As a result, manufacturers in Senegal source the majority of their corn and sorghum from Argentina and Brazil.

In Mali, Moulins du Sahel were the main supplier of grits to Bramali. Due to the poor quality of the grits, Bramali asked repeatedly that his supplier study ways to improve quality (grain size and, most importantly, aflatoxin levels). After it became clear that Moulins du Sahel could not meet the quality requirements of the brewery, the latter contacted the Castel Group, which is supplied by the international market. Conversely, the Ami Group purchases locally produced cereals in Mali and said they will continue to do so to contribute to the development of the country's cereal value chains.

4.3 CEREAL PURCHASE MECHANISMS IN THE REGION

In Côte d'Ivoire

- **The Domak Group:** Starts its cereal purchasing campaigns by contacting two or three suppliers, and the information (by word of mouth) spreads very quickly to the most remote areas of the country. From that moment, suppliers deliver truckloads of products to the company's factory. The purchase price is set by the Domak Group, but that price is typically pegged to the market price. Côte d'Ivoire has a huge number of agricultural product traders throughout the country, and these traders have people collecting product in provinces and villages. Once the trader/merchant has advanced the money to the people collecting—also called trackers—they start the purchasing process by going from village to village during market days. Purchased products are then shipped to the towns' secondary stores, then to the central stores in town, from where they are shipped to Abidjan for the Domak Group. According to the President and CEO of the company, large traders can deliver 30 product truckloads whereas small ones deliver to trucks.
- **IVOGRAIN:** The purchasing campaign begins when the company posts a note in the factory and at its entrance announcing the beginning of the product purchase campaign. IVOGRAIN sets the purchasing price and offers incentives (bonuses) to encourage suppliers to deliver good quality products. For example, this year the purchase price of corn is set at 100 FCFA/kg and once the contract is performed, IVOGRAIN gives a 12 FCFA/kg bonus. The Benkelema cooperative from the Bouaké wholesale market has members in all regions of the country. When they sign a contract, they send an alert to all members for purchase and grouping of products to be delivered to the clients. The cooperative works to assist members experiencing financial problems to purchase products or to resolve transportation problems if needed. IVOGRAIN encourages signing of contracts with Ivorian cereal stakeholders. Products delivered are paid for within 72 hours by bank check.
- **FACI:** The company does not sign cereal purchase contracts. They want to remain free to downgrade poor-quality products. At delivery, FACI simply issues a delivery note based on which the supplier will be paid cash or by check within a maximum of three days. They have 150 regular and loyal suppliers. Just like IVOGRAIN, FACI posts a note to announce the start of the purchase campaign. The purchase price is 100 F/Kg with a 12% bonus. The company monitors the international market prices to set its prices. In addition, FACI has a large supply network in the country evidenced by its storage stores located in several towns. Representatives are stationed in these towns for the purchase and storage of the cereals.
- **PKL:** Cereal sourcing is based on specifications. Non-compliance with specifications results in the rejection of the cargo. The company has a list of dedicated suppliers with whom they work in the long-term. When the company needs something, they call dedicated suppliers who deliver. They occasionally sign contracts, but the transactions are typically done based on specifications and delivery notes. Payment is made by check within 72 hours.
- **OANI Services:** Located outside the capital city (165 km to the northeast of Abidjan), the company purchases its corn and other ingredients in Côte d'Ivoire. Suppliers are mostly in the neighboring regions in the north of the country and call the company often to inform them of available inventory. The company communicates the set purchase price⁸. Payment is made right

⁸ As of January 2017, the purchase price of corn is 100 to 105 F/Kg.

away once the products are delivered, either by check, wire transfer or in cash. At the start of the purchase campaign, the company informs its suppliers who deliver to the factory. They have developed an agricultural contract agreement system with several hundred small farmers or “outgrowers,” who benefit from their assistance, for example, in corn production, which the company buys.

- **SMEs/SMIs:** They negotiate the purchase of corn with agricultural cooperatives. They occasionally source directly from the markets (Adjamé market or others). Each SME has two or three suppliers that deliver regularly. The SME only has to call them to inform them of the quantity desired, the price is negotiated, and the delivery takes place right away. Payment terms are also negotiated; it varies from two weeks to three months. Thanks to the information received at the cereal exchange, the SMEs/SMIs from Côte d'Ivoire have started to sign contracts with sellers, but implementation of these contracts is happening very slowly.

In Mali

With regard to large agribusinesses, only the **Ami Group** currently sources from the national cereal market. They have a list of about 50 suppliers throughout the southern part of the country. The company contacts the suppliers who deliver and are paid in cash. A livestock feed production company is located in Ségou, but we were unable to meet them.

SMEs/SMIs in Mali are supplied locally within the country. Some have dedicated suppliers from whom they source. Others have non-dedicated suppliers who deliver raw materials. The *Union des Coopératives Transformatrices de Céréales* has a centralized purchasing system for raw materials to buy product and sell them back to members. With the assistance of Trade Hub, some processing units sign purchasing contracts with OPs or dealers, such as corn contract UCTC-Maman and rice contract UCTC-Adama.

In Senegal

Industrial cereal companies purchase raw materials outside the region. They are associated with foreign suppliers (Brazil, Argentina, etc.) through short- and mid-term contracts. However, all Senegalese SMEs/SMIs source from the national market. Most of them work with cooperatives of cereal producers who are preferred suppliers.

In Benin

FUPRO handles the sale of corn, millet, and sorghum to the food processing companies. Sales were made only on the basis of a delivery note. But with training on best practices for contract agreements, the stakeholders currently sign written contracts. In December 2016, FUPRO signed two important contracts: one with SOCIA-Benin and the other one with BIC. Payment method and terms are stipulated in the contract.

Small cereal processing units have the same cereal purchase mechanisms as smaller and medium enterprises.

5. RECOMMENDATIONS

5.1 REGIONAL FORUM OF CEREAL MANUFACTURERS

This forum of manufacturers and wholesalers—to be organized by the Trade Hub— will bring industrial operators face-to-face to discuss challenges to overcome in promoting regional cereal transactions. This activity is in the FY 17 work plan and will incorporate findings from this report to address the needs of different companies wishing to expand market linkages within the cereals value chain.

5.2 TRAINING OF EDUCATORS FOR THE CONTROL AND MANAGEMENT OF AFLATOXINS IN BENIN

During this assignment, we agreed with ACMA, 2Scale and FUPRO-Benin to jointly organize a training session of educators for the control and management of aflatoxins. ACMA will handle logistics and the recruitment of OPs for participation. The Trade Hub will provide technical assistance. Communications with USAID/Benin suggests that they are interested in participating in this training. Following their training, the endogenous trainers (TOT) will conduct cascade training under the leadership of ACMA and 2Scale, which could be organized around the following thematic clusters:

- Cluster 1: Management and control of aflatoxins in the fields: We will contact IITA, PACA and the Aflasafe project to participate in the conception and delivery of this cluster
- Cluster 2: Harvest best practices and post-harvest operations for better control of aflatoxins (Trade Hub + consultant)
- Cluster 3: Management and control of aflatoxins in the cereal processing plant (Trade Hub + consultant)
- Cluster 4: Consequences of aflatoxin contaminations on humans, animals, and the economy (PACA + USAID regional)

The West Africa Grains Network (WAGN) will need to be very involved in the pilot training on the control and management of aflatoxins in Benin. After Benin and with coaching from Trade Hub, they will be responsible for similar training in other member countries of the ROAC. They will also coordinate the cascade training in other countries.

5.3 OPEN HOUSE DAY AT THE DOMAK GROUP

The DOMAK Group is currently the only company in Côte d'Ivoire able to clean, dry, and calibrate grains before storing them for commercial purposes, making them a regional model. To share information about its services to agribusinesses in Côte d'Ivoire, the Trade Hub is considering helping this company organize an “Open House Day at the DOMAK Group” (Journée Porte Ouverte sur le Groupe DOMAK). Agribusinesses, small and medium-sized cereal processing units, large cooperatives, and the media will be invited to this event.

5.4 AFLATOXIN DETECTION KITS

Trade Hub will work with other technical and financial partners to study a solution for the provision free or reduced-price aflatoxin detection kits in cereals.

ANNEX A: TERMS OF REFERENCE OF THE ASSIGNMENT

Terms of Reference **Strengthening of the business relationships of leading companies with the cereal wholesalers**

1. Introduction

During the fiscal year 2017, Trade Hub will work closely with the leading companies in the cereal processing industry. This approach aims to focus on large companies in order to strengthen the project partnership with them and to help partners overcome the critical challenges to business competitiveness, take advantage of business growth opportunities, demonstrate the production potential of West Africa to investors, and facilitate larger investments in the region. The objective of these results is to increase the regional trade of the main basic agricultural crops, especially cereals.

During the past two years, Trade Hub has played a more important role with the small and medium-size companies in the cereal processing industry, both for human consumption and animal feed. Regarding human consumption, the PKL company is a great example while SIPRA / Ivograin, FACI, and FOANI Services are the main consumers of cereals for livestock feed. These companies are all located in Côte d'Ivoire. In addition to these companies, there are some breweries in the countries targeted in this study.

The Trade Hub project will work with regional associations and alliances, and will help them lead the promotion of agricultural products processing, serve as catalysts to convince buyers and investors to adopt best practices. Finally, the Trade Hub's partners will act in an independent manner and will play an increasingly important leadership role.

2. Context of the Assignment

Identifying and establishing priorities to increase the trade of cereal value chains in the targeted countries, in accordance with the work plan of the fiscal year 2017. Given the new cost-sharing practices, the project must work with companies/partners having potential, the capacity to sustain long-term actions, and certain financial assets.

3. Objectives

3.1 General Objective

The general objective of the assignment is to identify and rank by priority the growth opportunities of the cereal trade relative to the targeted countries in the 2017 work plan: Senegal, Mali, Côte d'Ivoire, and Benin. The trip to Senegal and Mali will take place in the second half of November, whereas the trip to Côte d'Ivoire and Benin will be scheduled for the last two weeks of December.

3.2 Specific Objectives

The specific objectives are:

- Meeting with the breweries and cereal processing companies that supply grits to breweries;
- Discussing with the cereal wholesalers in order to provide assistance to strengthen their supply chain; Gathering better information about how these companies get the raw materials they need.
- Strengthening the business relationships between breweries and cereal processing companies that supply grits to the breweries.

- Promoting the business relationships between the cereal wholesalers and the cereal processing companies that supply grits to the breweries;
- Meeting with WAGN members to review the preparation on best practices through cascade training and evaluating the possibility of having two cascade training sessions as quickly as possible. Cost-sharing is a challenge to be discussed with our partners in order to help them gather funds.

4. Expected Results

The expected results are: i) Better understanding of the supply systems implemented by the large industrial companies, especially breweries and their interaction with the cereal value chain; ii) Strengthening of the business partnership between sellers and buyers in order to increase sales; iii) description of a cascade training session that will be organized by WAGN in at least one country. A regional forum for these companies with the stakeholders will be organized and will assemble the most important participants of the cereal value chain to promote an increase in formalized trading.

5. Work Methodology with Industrial Processors

The work will be carried out by the CVS in countries whose partners have the following profile.

Beer brewery	Cereal processing industries	Cereal wholesalers	ROAC
Breweries in the capital city	Industries (Grits)-1	Merchant - 1	Focus point (Cascade training CBP)
Breweries in secondary cities	Industries (Grits)-2	Merchant - 2	Endogenous trainers:
-	Food for human consumption industries 3	Merchant - 3	-
-	Livestock feed industries - 1	Merchant - 4	-
-	Livestock feed industries - 2	Merchant - 5	-

Preceding travel to each country, the CVS will list the names of places to be visited. Meetings will be organized with each participant.

An interview guide will be written and used during the interviews. The goal of the interview guide is to summarize specific issues to be discussed in order to gather the information needed for this study and to have an overview of the perspectives of the cereal value chains.

6. Report

At the end of the field data collection, the CVS will write a report. The report will include new opportunities, challenges to meet these opportunities, status of the steps taken to organize the cascade training sessions in the visited countries. The gathered results will be processed and analyzed. The project staff will continue to interact with these companies throughout the year to identify entry points that will help them secure raw materials from the people involved in the cereal value chain.

ANNEX B: LIST OF PEOPLE WE MET

People We Met	Company	Telephone Number
Dakar		
Mr. Sy Ibrahima, Business Development Manager	The <i>Four du Khalife</i> Sarl (FKS), Sale of flour, livestock and poultry feed	+221 770998217
Mr. Claude Bemba Diop, Deputy Director General	<i>Nouvelle Minoterie Africaine</i> (NMA Sanders), livestock feed	+221 33 879 00 00
Mr. Alain N. R. Lopy, Logistics and Purchasing Manager	<i>Société des Brasseries de l'Ouest Africain</i> (SOBOA), member of the Castel Group	+221 33 859 28 38
Mr. Sidy Ndiaye, Marketing Manager	SEDIMA Group, Poultry farming and feed	+221 33 839 80 00 77 638 25 06
Madam Aïssatou Dème, Director Mr. Elhadji Maguette Diack, Sales Manager	Free Work Services, cereal processing unit	
Madam Nafy Diagne Gueye	Founty Services, cereal processing unit	+221 77 632 89 01
Madam Fatoumata Diop, Chair, Board of Directors	<i>Coopérative PANALE</i> , National cooperative of the cereal processing units	+221 77 553 95 42 +221 70 203 35 81
Madam Fatoumata Diop, Director	GIE Oumou Mountaga TALL, cereal processing unit	+221 77 553 95 42 +221 70 553 95 42
Mr. Tamsir Niane, Director General	<i>Générale de l'Industrie et du Commerce</i> (GIC), Livestock feed and others / UNACOIS	+221 77 639 42 11
Mr. Talla Gueye, Director	General trade, sales of cereals and livestock feed	+221 77 507 59 25
Mr. Modou Sow, Manager	Sales of cereals and livestock feed	+221 77 573 95 72 +221 76 835 30 55
Mr. Saliou Sarr, Consultant, Contractual Relations	ASPRODEB, Deputy General Manager, Consultant	+221 77 650 98 80
Bamako		

Mr. Vital Mwemerabugabo, HSE Quality Manager Mr. Moulai Diallo Madam Cissé Fatounato Traoré	Brasseries du Mali (BRAMALI)	+223 20 79 48 42/ 79 33 75 91
Mr. Nafo Samaké, Head, FTPs and Coordinator of Projects	Ami Group, Manufacturing of flour and livestock feed	+223 20 21 58 74/ 65 90 64 24
Mr. Kampo Tilari, Marketing Manager	Moulins du Sahel	70 00 70 45 44 90 16 85
Madam Semega Adam Diop	SIYUMA, Food products processing unit in Mali	+223 76 46 94 54
Madam Halatou Deme, Director	DAYANA Céréales, cereal processing unit	+223 76 46 94 54
Madam Mariko Fadima Siby, Director	Unité de Transformation et de Conditionnement des Denrées Alimentaires (UCODAL)	+223 66 71 36 87
Madam Fatou Cissé, Director	DAYANA Céréales SARL, cereal processing unit	(223) 79 05 27 19
<ul style="list-style-type: none"> Madam Mariam DIALLO KALIFA TRAORE, President 	UCTC (Union des Coopératives Transformatrices de Céréales) Bamako	+223 76 44 45 00
Mr. Moctar Traoré, Financial Advisor	Financial advisor Mali	
Mr. Mohamed HAIDARA, Coordinator Mr. Yacouba Ballo, Programme Officer	AMASSA Afrique Verte Mali, Support NGO	20 2197 60 / 76 28 24 67
Abidjan		
Mr. Sébastien DOZ, Technical Manager	Les brasseries Ivoiriennes	23 53 11 60 / 89 01 94 34
Madam Sylla	SOLIBRA	+225 21 21 12 99
Alpha Diallo,	BRASSIVOIRE	00225 87 67 41 79
Mr. KANTE Daouda, CEO	DOMAK Group	+225 07 70 70 70
M. Koffi Kouame Siméon, Comm. Manager	PKL company	21 27 28 63 / 05 85 28 3
Mr. SORO Lenitelehe, Tech and Comm. Manager	FACI company	23 46 60 57 /

Mr. Helal Samir, Director of Operations		23 46 64 93
Mr. GOTTA Sylvain, DG Ivograin Mr. Serge Toure, Comm. and Marketing Manager	SIPRA //IVOGRAIN	23 53 00 55 / 05 75 82 07
Madam Abram Djenabou Ouattara, Director	FOANI Services	+225 35 91 01 69
Madam Coulibaly Aramatou, Dir.	RAMA Céréales	20 01 20 22 / 07 05 90 04
Madam Coulibaly Alimata, President and Director	Précuits GLP, RETPA-CI	00225 07 09 28 20
Benin		
Madame Ursula Kohnen, Head of Programme	Approche communale pour le marché agricole (ACMA)	+229 96 58 17 98
Mr. Mathias D. AHOUNOU, Resident Representative, IFDC Benin	2SCALE project	21 30 59 90
Madam Edith-Mireille DEGUENON-Odounharo, Director	DELICES Familia	95 85 34 95
Mr. Sébastien Yves-Manager, Deputy Director General	SOBEBRA	21 33 11 24
Mr. Bonaventure Agboton, Specialist, Agriculture and Economic Growth	USAID-Benin	+229 21 30 12 60/ 97974788
Mr. HOUNSSOU Hector, Technical Director	SOCIA-Benin	95 58 50 25
Mr. Placide Godjedo, Logistics Officer	Bénin Céréales Industrie	66 07 63 41
Mr. Lionel GUEZODJE, President	FUPRO-Benin	97445733 /95152355
Mr. Djibril , President	CIC-Benin	
Mr. Ronald, Sales Agent	Groupe Veto Services	21 15 43 91

ANNEX C: INTERVIEW GUIDE

1. Company description:
 - a. Beer breweries,
 - b. Grits manufacturing companies for breweries,
 - c. Large manufacturers of cereal flour and semolina,
 - d. Large manufacturers of livestock feed,
 - e. Cereal wholesalers (with the capacity to sign purchase or sales contract)
2. Manufactured products: various categories of manufactured products
3. Purchase of raw materials:
 - a. Types of products,
 - b. Place of purchase,
 - c. Method of purchase,
 - d. Method of payment
4. In case of purchase outside of Africa, list the reasons
5. Under which conditions would you be willing to purchase in the sub-region?
6. Sales of products: country, sub-region, others
7. Structuring the cereal markets in West Africa: Your opinion and comments